

# Alberta Economy

## Indicators at a Glance

### Economic Activity

The Alberta Activity Index (AAX) was up 3.6% year-over-year (y/y) in December and is up 5.1% for 2017. Alberta's real GDP by expenditure fell by 3.7% in 2016, the largest drop among the provinces for the second year in a row.

### Population

Alberta's population was 4,306,039 as of October 1, 2017, an increase of 1.3% from the year prior. Canada's population grew 1.3% from a year ago.

### Migration

Net migration to Alberta was 11,106 in the third quarter of 2017. During this time, Alberta welcomed 10,363 net international migrants, while there was a net inflow of interprovincial migrants (+743) for the first time in eight quarters.

### Employment<sup>1</sup>

The economy added 2,300 jobs in February, as gains in part-time positions more than offset a decline in full-time positions. Employment rose 2.0% y/y, reflecting employment gains in both the goods (+4.8% y/y) and services (+1.0% y/y) sectors.

### Unemployment Rate<sup>1</sup>

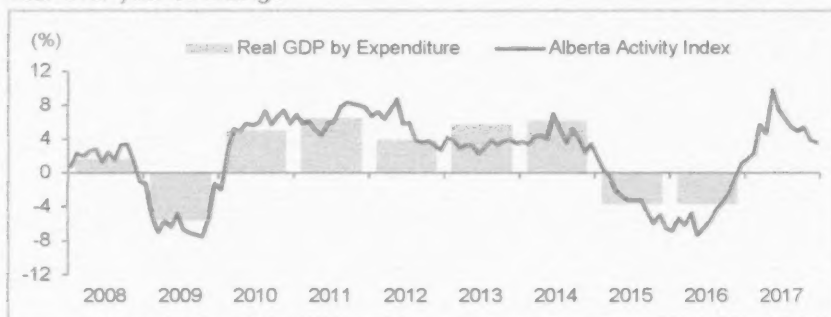
Alberta's unemployment rate fell by 0.3 percentage point to 6.7% in February. Canada's unemployment rate ticked down 0.1 percentage point to 5.8%.

### Rigs Drilling

The number of active rigs in Alberta averaged 216 in February, up 15% y/y. The average rig utilization rate was 52%, up from 43% a year ago.

### Economic Activity

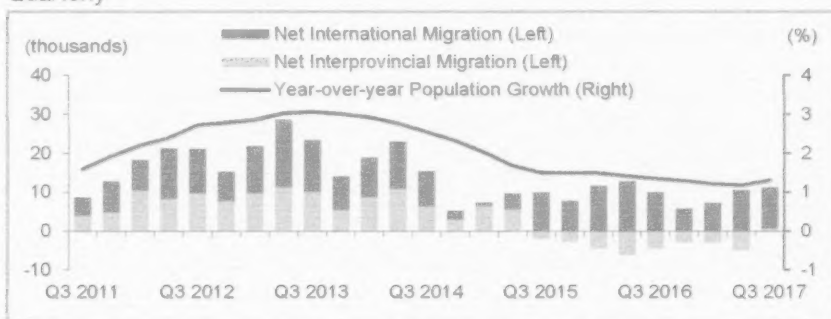
#### Year-over-year % change



Sources: Statistics Canada and Alberta Treasury Board and Finance

### Demographics

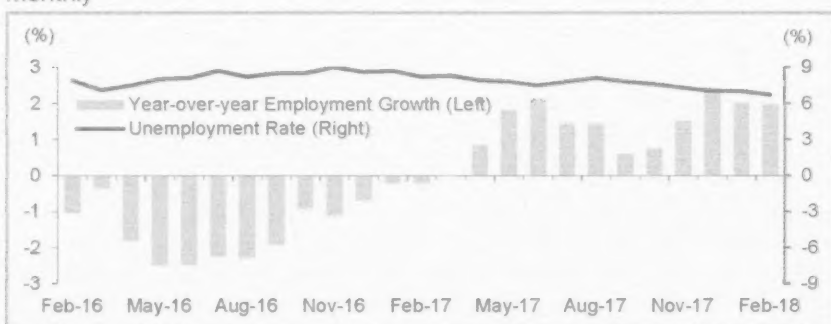
#### Quarterly



Source: Statistics Canada

### Labour Market

#### Monthly



Source: Statistics Canada

## Inflation

The annual inflation rate in Alberta dipped by 0.6 percentage points to 1.4% y/y in January, reflective of an annual decline in natural gas prices. Excluding food and energy prices, core inflation also fell by 0.1 percentage point to 1.0% y/y.

## Average Weekly Earnings<sup>1</sup>

Average weekly earnings (AWE) in Alberta ticked up by 0.1% m/m in December to \$1,149. Earnings increased 1.2% y/y as gains in services sector earnings more than offset declines in the goods sector.

## Retail Sales<sup>1</sup>

Alberta retail sales fell 0.5% m/m to \$6.7 billion in December. Retail sales are up 4.7% y/y, the thirteenth consecutive month of year-over-year gains.

## Housing Starts<sup>1</sup>

Alberta housing starts fell by 3.5% m/m in February to 24,301 units (annualized). They were down 8.5% y/y, with declines in both multi-family (-14% y/y) and single-family starts (-7.2% y/y).

## New Housing Price Index

In January, Alberta's New Housing Price Index (NHPI) ticked up by 0.1% y/y. The house-only component was unchanged, while land prices were up (+0.4% y/y).

## Building Permits<sup>1</sup>

Alberta building permits eased by 13% y/y in January to \$1.1 billion, as increased residential permits (+5.3% y/y) was more than offset by a decline in non-residential permits (-33% y/y).

<sup>1</sup> Seasonally adjusted

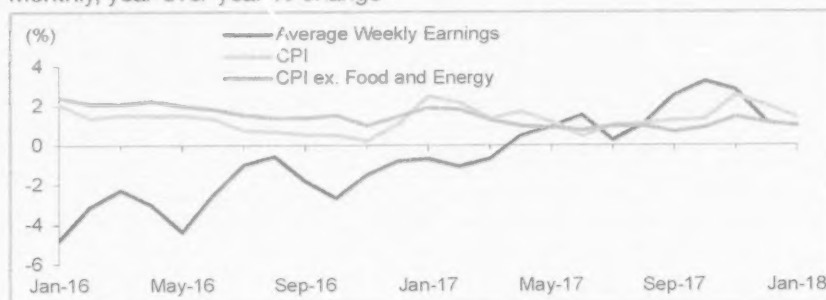
## Contact

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## Inflation and Earnings

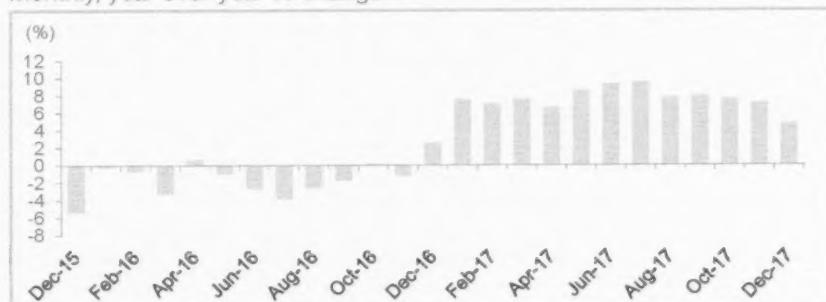
Monthly, year-over-year % change



Source: Statistics Canada

## Retail Sales

Monthly, year-over-year % change



Source: Statistics Canada

## Housing Market

Monthly

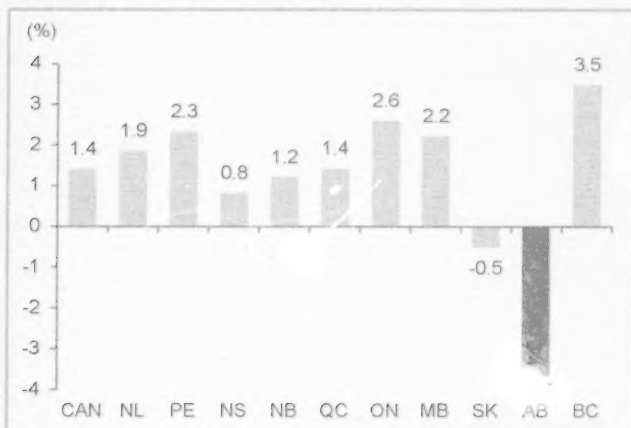


Source: Statistics Canada, Canada Mortgage and Housing Corporation

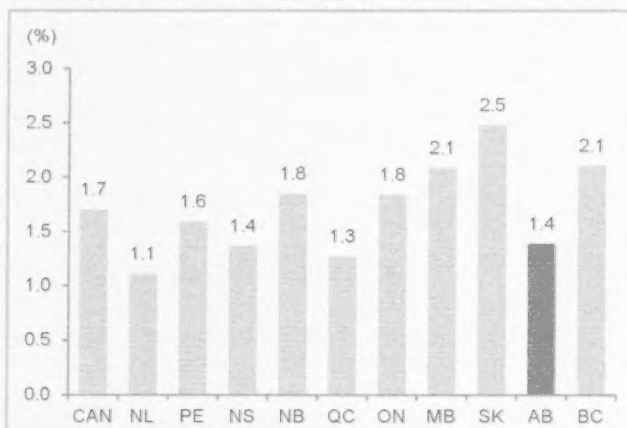
|                         | Canadian Dollar<br>(US\$/SCAN) | WTI Oil (\$US/bbl) | NYMEX Natural Gas<br>(\$US/MMBtu) | Alberta Reference<br>Price (\$C/GJ) |
|-------------------------|--------------------------------|--------------------|-----------------------------------|-------------------------------------|
| Latest (March 15, 2018) | 76.73                          | 61.19              | 2.68                              | 1.74 (January)                      |
| Fiscal year-to-date     | 78.01                          | 53.11              | 2.98                              | 1.85                                |

Please see the [Weekly Economic Review](#) for current analysis on the Alberta economy.

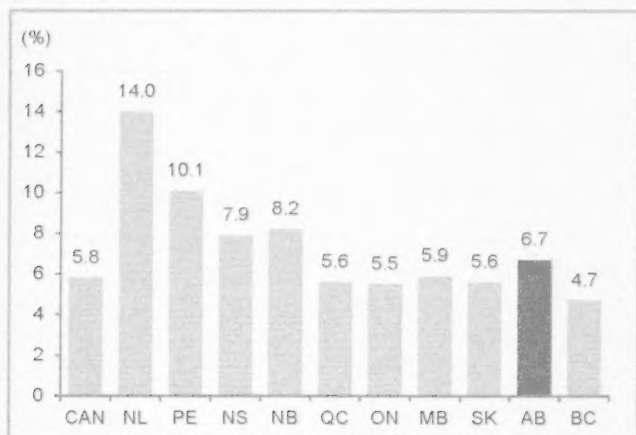
**Real GDP by Expenditure**  
(2016, year-over-year growth)



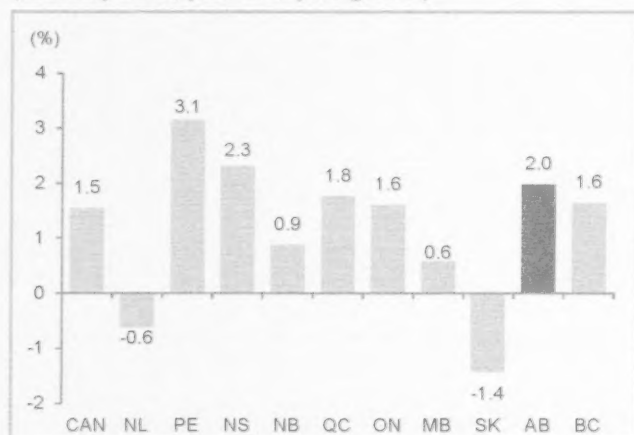
**CPI Inflation**  
(January 2018, year-over-year growth)



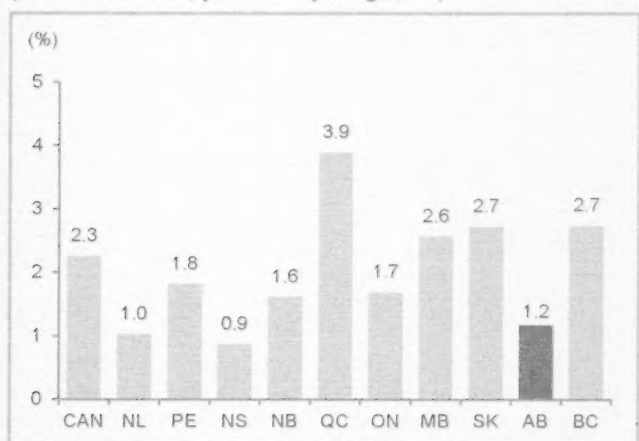
**Unemployment Rate**  
(February 2018)



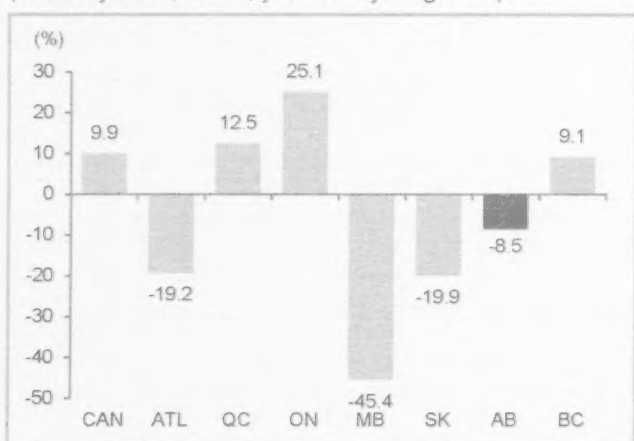
**Employment**  
(February 2018, year-over-year growth)



**Average Weekly Earnings**  
(December 2017, year-over-year growth)



**Housing Starts**  
(February 2018, SAAR, year-over-year growth)



# Alberta Economic Indicators

|                                                                | 2016    | 2017    | 2018YTD | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 |
|----------------------------------------------------------------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| Alberta Activity Index (y/y % change)                          | -4.4    | 5.1     |         | 4.9    | 5.4    | 3.9    | 3.6    |        |        |
| <b>Population<sup>1</sup></b>                                  |         |         |         |        |        |        |        |        |        |
| Population (thousands)                                         | 4,236   | 4,286   | 4,306   |        | 4,306  |        |        |        |        |
| y/y % change                                                   | 1.4     | 1.2     | 1.3     |        | 1.3    |        |        |        |        |
| Net Interprovincial Migration                                  | -15,108 | -15,131 | 743     |        | 743    |        |        |        |        |
| Net International Migration                                    | 42,102  | 33,210  | 10,363  |        | 10,363 |        |        |        |        |
| <b>Labour Market</b>                                           |         |         |         |        |        |        |        |        |        |
| Employment (thousands, SA)                                     | 2,264   | 2,287   | 2,316   | 2,282  | 2,293  | 2,300  | 2,320  | 2,315  | 2,317  |
| m/m change (thousands)                                         |         |         |         | -5.2   | 10.5   | 7.1    | 20.4   | -5.9   | 2.3    |
| y/y % change                                                   | -1.6    | 1.0     | 2.0     | 0.6    | 0.8    | 1.5    | 2.4    | 2.0    | 2.0    |
| Unemployment Rate (% SA)                                       | 8.1     | 7.8     | 6.9     | 7.8    | 7.6    | 7.3    | 7.0    | 7.0    | 6.7    |
| Participation Rate (% SA)                                      | 72.5    | 72.4    | 72.1    | 72.0   | 72.2   | 72.1   | 72.4   | 72.2   | 71.9   |
| Average Weekly Earnings (\$ SA)                                | 1,119   | 1,129   |         | 1,144  | 1,140  | 1,147  | 1,149  |        |        |
| y/y % change                                                   | -2.4    | 1.0     |         | 7.5    | 3.2    | 2.8    | 1.2    |        |        |
| <b>Household Sector</b>                                        |         |         |         |        |        |        |        |        |        |
| Retail Sales (\$ million, SA)                                  | 75,110  | 80,734  |         | 6,749  | 6,797  | 6,770  | 6,740  |        |        |
| y/y % change                                                   | -1.2    | 7.5     |         | 8.0    | 7.5    | 7.1    | 4.7    |        |        |
| <b>NEW</b> New Vehicle Sales (units, thousands)                | 224     | 249     | 16      | 23     | 20     | 19     | 16     | 16     |        |
| y/y % change                                                   | -7.6    | 11.2    | 7.5     | 9.8    | 17.4   | 0.7    | 0.5    | 7.5    |        |
| Consumer Price Index (y/y % change)                            | 1.1     | 1.6     | 1.4     | 1.3    | 1.3    | 2.5    | 2.0    | 1.4    |        |
| Excluding Food & Energy                                        | -1.7    | -1.1    | 1.0     | 0.7    | 0.9    | 1.4    | 1.1    | 1.0    |        |
| Housing Starts (SAAR, 000's)                                   | 24.5    | 29.6    | 24.7    | 29.2   | 29.7   | 34.7   | 23.3   | 25.2   | 24.3   |
| y/y % change                                                   | -34.2   | 20.1    | 9.4     | 2.7    | 16.5   | 37.7   | -11.2  | 34.9   | -6.5   |
| New Housing Price Index (y/y % change)                         | -0.5    | -0.2    | 0.1     | 0.3    | 0.4    | 0.4    | 0.1    | 0.1    |        |
| <b>NEW</b> Resale Home Sales                                   | 54,798  | 57,166  | 9,621   | 4,622  | 4,507  | 4,755  | 5,678  | 5,003  | 4,618  |
| y/y % change                                                   | -7.6    | 4.3     | -2.7    | -0.9   | -9.9   | 11.5   | 17.8   | 3.9    | -9.0   |
| <b>NEW</b> Sales to New Listing Ratio                          | 0.50    | 0.49    | 0.53    | 0.47   | 0.47   | 0.50   | 0.58   | 0.54   | 0.51   |
| <b>NEW</b> MLS Average Resale Prices (\$ thousands)            | 397     | 398     | 396     | 393    | 399    | 387    | 386    | 395    | 398    |
| y/y % change                                                   | 0.3     | 0.4     | -0.1    | -1.9   | 0.2    | -3.2   | -4.6   | -0.9   | 0.6    |
| Consumer Bankruptcies (level)                                  | 5,427   | 5,008   |         | 404    | 450    | 403    | 350    |        |        |
| y/y % change                                                   | -26.8   | -7.7    |         | -11.8  | 2.3    | -13.3  | -12.7  |        |        |
| <b>Business Sector</b>                                         |         |         |         |        |        |        |        |        |        |
| Goods Exports (customs based, \$ million)                      | 79,213  | 100,232 | 10,072  | 7,431  | 8,453  | 8,441  | 9,103  | 10,072 |        |
| y/y % change                                                   | -14.3   | 26.5    | 18.5    | 5.7    | 9.6    | 7.4    | 14.8   | 18.5   |        |
| Energy Products (\$ million)                                   | 51,594  | 69,594  | 7,441   | 4,985  | 5,785  | 5,818  | 6,528  | 7,441  |        |
| y/y % change                                                   | -17.5   | 34.9    | 20.8    | 4.7    | 24.2   | 5.3    | 17.8   | 20.8   |        |
| Agricultural Products (\$ million)                             | 6,284   | 7,314   | 685     | 502    | 741    | 654    | 607    | 685    |        |
| y/y % change                                                   | -2.9    | 16.4    | 9.1     | 6.2    | 35.3   | 7.1    | 9.6    | 9.1    |        |
| Rigs Drilling                                                  | 79      | 131     | 207     | 127    | 133    | 143    | 155    | 107    | 216    |
| y/y % change                                                   | 34.0    | 66.0    | 6.8     | 59.7   | 31.3   | 32.4   | 2.9    | -0.9   | 15.1   |
| <b>NEW</b> Manufacturing Shipments (\$ million, SA)            | 62,703  | 71,282  | 6,289   | 5,895  | 6,065  | 6,164  | 6,222  | 6,289  |        |
| y/y % change                                                   | -8.0    | 13.7    | 11.3    | 10.7   | 15.1   | 12.2   | 11.3   | 11.3   |        |
| Wholesale Trade (\$ million, SA)                               | 71,765  | 79,363  |         | 6,689  | 6,784  | 6,748  | 6,809  |        |        |
| y/y % change                                                   | -9.6    | 10.6    |         | 13.9   | 14.9   | 13.5   | 10.5   |        |        |
| Building Permits (\$ million, SA)                              | 14,200  | 14,245  | 1,092   | 1,470  | 1,007  | 1,288  | 1,130  | 1,092  |        |
| y/y % change                                                   | -15.2   | 0.3     | 13.3    | 30.5   | 52.8   | 18.1   | 35.4   | -13.3  |        |
| Residential Permits (\$ million, SA)                           | 7,930   | 8,400   | 678     | 692    | 607    | 715    | 760    | 678    |        |
| y/y % change                                                   | -19.7   | 5.9     | 5.3     | -0.6   | -58.8  | 12.6   | 69.7   | 5.3    |        |
| Non-Residential Permits (\$ million, SA)                       | 6,270   | 5,845   | 414     | 779    | 401    | 574    | 371    | 414    |        |
| y/y % change                                                   | -8.8    | -6.8    | -32.8   | 80.6   | -39.4  | 25.7   | -4.3   | -32.8  |        |
| Non-Res Building Cons. Price Index <sup>2</sup> (y/y % change) | -2.8    | 0.5     |         | 0.9    |        |        | 1.2    |        |        |

<sup>1</sup> Population data presented on a census year basis (July 1– June 30). The current census year 2017.

<sup>2</sup> Quarterly, average of Calgary and Edmonton

YTD YTD (year-to-date). "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate. All annual data is unadjusted.

**Sources:** All data is from Statistics Canada except the Alberta Activity Index (Alberta Treasury Board and Finance), Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada). All historical data are subject to revision